

September 7, 2005

**M E M O R A N D U M**

**TO: ALL OPERATORS**

**FROM: James H. Welsh, Commissioner of Conservation**

**SUBJECT: HURRICANE KATRINA – SPECIAL EXCEPTIONS**

The restoration of production of oil and gas wells in the parishes directly impacted by Hurricane Katrina is of vital importance to the state, the nation and especially the mineral owners whose property has been severely damaged or destroyed and who will likely be depending on the revenues derived from such production. In order to assist operators in restoring these wells to production and marketing such production, the following exceptions to the regulations of the Office of Conservation have been determined to be justified and are hereby authorized:

1. A general exception to LAC 43:XIX.3507 allowing the venting of gas produced from wells recognized as oil wells by the Office of Conservation. This exception is limited to those situations where gas handling and/or marketing facilities have been disrupted by the storm. Operators are cautioned to use good judgment in determining sites where such action will not cause adverse impacts and that this exception is strictly limited to matters under the jurisdiction of the Office of Conservation.
2. A general exception to LAC 43:XIX.907 allowing operators to move oil from facilities without the necessity of filing Form R-4 (Authorization to Move Oil). This exception is limited to situations where the authorized transporter is unable to move production and another transporter is needed to handle movement of production to the market on a temporary basis. The substitute transporter must be recognized as an oil transporter by the Office of Conservation.
3. Short term commingling of production from separate leases and/or units shall be authorized in exception to LAC 43:XIX.1501 where facilities for the separate leases and/or units have been destroyed or damaged by the storm. Due to the sensitive nature of this type exception, approval will be granted on a case by

case basis upon determination that appropriate measures are in place to provide reasonably accurate allocation of production to each such lease and/or unit. Any operator wishing to obtain this exception should call Todd Keating at 225/342-4962.

4. Any operator whose produced water disposal method has been disrupted by the storm and is no longer available shall be allowed to inject produced water into a formerly productive well that has depleted and is no longer capable of production without first obtaining a permit pursuant to LAC 43:XIX.403. Injection of produced water must be at least 200 feet below the base of the lowermost underground source of drinking water. The proposed injection well must have a packer set on tubing with the packer being no more than 150 feet above the top of the injection formation. The proposed injection well must be tested to assure mechanical integrity prior to injection; once injection is initiated, injection pressure must not exceed 1000 psig or the maximum burst capacity of the tubulars whichever is less and the use of such well must be reported on Form UIC-10. Any operator wishing to exercise this exception must notify the Office of Conservation, Injection & Mining Division in writing prior to commencing injection. Verbal notification may be made by calling 225/342-5515, but must be followed with written notice within five (5) days of the verbal notification.

The above described general exceptions shall terminate on **November 30, 2005** and shall be limited to operations located in the following parishes:

Jefferson  
Lafourche  
Orleans  
Plaquemines  
St. Bernard  
St. Charles  
Terrebonne  
Washington

It is recognized that operational situations may exist or be encountered which justify other exceptions to the rules of the Office of Conservation both within and outside the authorized area. Any operator determining such a situation is encouraged to contact this office at 225/342-5540.

JHW/FJB